#### **Department of Housing and Community Development**

# 2002-2003 Round 1









# Notice of Funds Available (NOFA)

January 16, 2003

### Welcome and Introductions

- Funding Schedule
  - □ Two NOFA's/year (January and July)
    - Coincide with CDLAC Rounds I and III
    - Future NOFA's will include funds for:
      - □ Supportive Services Space
      - University Student Housing
- Loan Closing Workshops (July, 2003)
- Revised Regulations
  - □ In place for 2<sup>nd</sup> Funding Round

#### **Department of Housing and Community Development**

# 2002-2003 Round 1

January 16, 2003









NOFA Overview & Review of Program Change

### Important Dates to Remember

■ March 18, 2003 – Applications Due

■ June 2003 – Loan and Grant Committee

■ June 2003 – Awards

### Funding Available

\$70 million MHP General Funds

\$25 million MHP Supportive Housing Funds

### What's the Difference?

#### MHP General Funds

- Available as permanent financing for affordable multifamily rental and transitional housing.
- Includes funding for special needs populations projects.

#### MHP Supportive Housing Funds

- Supportive Housing units must be <u>permanent</u> rental housing.
- Supportive Housing contains a narrower definition for eligible special needs households.



### Supportive Housing

Eligible Households

□Homeless or at risk of homelessness;

and

□Include a disabled adult.

### Supportive Housing

#### Eligible Projects

- Must contain the greater of 5 units or 35% of the total project units, designated as supportive housing units.
- Must be <u>permanent</u> rental housing.
- □ Refer to Attachment 1 of the NOFA for complete details on the Supportive Housing requirements.

#### MHP General and MHP Supportive Housing

### What's the same?

- Both funding allocations will be administered under the MHP Regulations.
- The per-unit loan amounts will be combined into one MHP loan secured by the project.
- Both the MHP General special needs projects and the MHP Supportive Housing projects will be required to provide a specific, feasible plan for tenant services to the targeted population(s).



- \$7,000,000 maximum loan per project.
- Per-unit loan limits are shown in Attachment 2 of the NOFA.
  - □ Based on location, unit size and rent restriction.

- Per-unit loan example:
  - □ Los Angeles County 2 bedroom unit:
    - At 50% AMI = \$47,862
    - At 30% AMI = \$83,586

#### What's New...

- Priority Points for projects which qualify as adaptive reuse, infill projects and projects located proximate to site amenities.
- Restriction on the amount of MHP funds which may be used to capitalize reserves.
- Supportive Housing Requirements (Attachment 1).
- Revised Loan Limits (Attachment 2).

### What's new...

### **Priority Points**

- Added due to the statutory requirement of SB 1227.
- Applicable to projects requesting any amount of MHP General Funds.
- Not applicable to projects requesting only MHP Supportive Housing funds.
  - Projects requesting only Supportive Housing funds will receive full points in this scoring category.



To qualify for the full 10 points, projects only need to qualify for <u>one</u> of these three criteria;

■ Adaptive reuse

Infill

□ Proximate to site amenities

### Priority Points (cont.)

Priority points are not scaled. Projects will receive either the full 10 points, or zero points in this category.

Applications not documenting qualifications for points under any of the three categories will receive zero points.



### Reserve Limits

 SB1227 restricts reserves capitalized by MHP funds to the limits specified in the MHP Regulations.

#### What's new...

### Revised Loan Limits

- Per project and per-unit loan limits increased from the October 2001 MHP NOFA.
- Maximum loan per project increased from \$5,500,000 to \$7,000,000.
- Example of per-unit increase:
  - □ LA County: 1 bedroom unit at 35% SMI was \$51,392.
  - □ New loan limit for same unit is \$61,834.

# More... Things You Need to Know

- Projects receiving 9% tax credits are NOT eligible for MHP funds. Therefore;
  - □ Projects which have a 9% tax credit application pending at any time during the MHP application process will be disqualified from this funding round.
  - ■MHP funding commitments to projects which subsequently apply for 9% tax credits will be immediately rescinded.

### Things You Need to Know (cont.)

- Projects must obtain a minimum point score of 125 out of total of 150 to be considered for funding.
- Sponsors must have site control at the time of application. (Section 7303(c)(2)).
- Program funds may not be used for supportive services.

### A Few Loan Details...

- MHP loan may not be subordinated to local public agency loans (or restrictions attached to these loans) unless the amount of the local loan is at least twice the amount of the MHP loan.
- The MHP loan does require residual receipt payments. Please make sure other lenders are aware of this and are willing to share residual receipts.

### A Few Loan Details (cont.)

- NO balloon payments on senior debt may be due prior to the end of the MHP loan term.
- Projects using a leasehold interest to secure the MHP loan must have a lease term of at least 65 years from the date the MHP loan closes.
- Examples of the MHP loan documents are available on the HCD website.

### **Funding Allocations and Awards**

- HCD will create one list of ranked projects.
- Eligible units will be funded from the applicable funding allocation.
- The amount of funding announced in the NOFA *may* be augmented in order to fully allocate both the MHP General and MHP Supportive Housing funds.

### How The Funding Will Work...

#### Example:

Projects will be ranked on one list:

<u>Project</u>	Funding Type	Score
□ Project A	General	150
□ Project B	Mixed	150
□ Project C	Mixed	140
□ Project D	General	138
□ Project E	Supportive Hsg.	135
□ Project F	General	130
□ Project G	Mixed	130
□ Project H	General	128
□ Project I	Mixed	125

	Funds Requested/Awarded				
Project	MHP-G Requested	General Balance	MHP-SH Requested	Sup.Hsg. Balance	
		\$35,000,000		\$13,000,000	
А	\$7,000,000	\$28,000,000	0	\$13,000,000	
В	\$5,000,000	\$23,000,000	\$2,000,000	\$11,000,000	
С	\$5,000,000	\$18,000,000	\$2,000,000	\$9,000,000	
D	\$6,000,000	\$12,000,000	0	\$9,000,000	
Ε	0	\$12,000,000	\$5,000,000	\$4,000,000	
F	\$6,000,000	\$6,000,000	0	\$4,000,000	
G	\$6,000,000	0	\$1,000,000	\$3,000,000	
Н	\$3,000,000				
	\$2,000,000		\$4,000,000		

	Funds Requested/Awarded				
Project	MHP General Requested	MHP General Balance	MHP Supportive Housing Requested	MHP Supportive Housing Balance	
		\$6,000,000		\$4,000,000	
G	\$6,000,000	0	\$1,000,000	\$3,000,000	
MHP General Funding Cut-off					
Н	\$3,000,000	0 Not Funded	0	\$3,000,000	
	\$2,000,000	\$2,000,000 <b>Augmented</b>	\$3,000,000	0	

### Future Plans...

- Next MHP NOFA is planned for release in July 2003.
- HCD anticipates including Nonresidential Supportive Services Space (Services Space) funds and Student Housing Funds in the next round.
- Services Space funds will be linked to the MHP funding award in that future round.
  - □ Projects funded under this round will not be eligible to apply for Supportive Space funds in the future round.

### Wrap-Up

- This presentation is intended only to highlight NOFA information.
- All applicants are advised to carefully read all of the governing documents for this funding round.
  - MHP Regulations
  - Supportive Housing Requirements (Attachment 1)
  - NOFA

### Thank You!

\*Remember:

Applications must be received by

March 18, 2003 by 5:00PM

#### **Department of Housing and Community Development**

# 2002-2003 Round 1

January 16, 2003









Multifamily Housing Program Basics and Threshold Requirements

### MHP BASICS

#### **Formation**

- MHP enacted by SB 1121 (Chapter 637 of 1999) to address the needs of California's Renters
- Replaced several independently administered programs
- Designed to be a flexible and efficient program



### **MHP Basics**

#### **How MHP Works**

- Project Sponsor agrees to restrict all or a portion of project units to occupancy by low-income households
- Low-interest MHP Loan replaces more expensive conventional debt
- MHP Loan Amount calculated on base amount (\$30,000/restricted unit at 60% AMI) plus amount tied to reduced project debt capacity resulting from income targeting below 60% AMI.
- MHP Regulations establish the terms, conditions, and procedures for Loans



### Loan Terms

**Sections 7307 and 7308** 

- 55-year term
- Post Construction, Permanent financing
- 3% simple interest (principal & interest deferred)
- Unpaid interest and principal due at end of loan term

### **MHP Basics**

#### Loan Terms (cont...)

- Required Annual loan payment of .42 % of outstanding principal balance
- Current maximum loan amount is \$7.0 million per project, with actual MHP loan amount based on the income targeting and the Project funding needs
- Loan will be secured by an interest in the project real property and will have a priority lien position over loans from local public agencies and loans from the Affordable Housing Program

### **MHP Basics**

# Eligible Use of Funds Section 7304

- Costs attributable to restricted units.
  - □ Acquisition/Construction/Rehabilitation.
  - □ Off-site/on-site improvements.
  - □ With respect to operating reserves, fund only to the amount required by the MHP regulation.
    - (Bond funding limitations)
  - ☐ Child care space & social service facilities integrally linked to project.
  - ☐ Limited developer fees.
  - □ Soft Costs.



### Program Requirements

- Payment of state prevailing wages to laborers working on MHP-financed projects
- Compliance with Fair Housing Laws
- Compliance with Article XXXIV advanced voter approval of certain publicly funded low rent housing projects
  - □ Restricted Unit unit subject to rent and occupancy restrictions similar to MHP loan restriction
  - □ Assisted Unit unit subject to rent and occupancy restrictions due to the MHP loan requirements

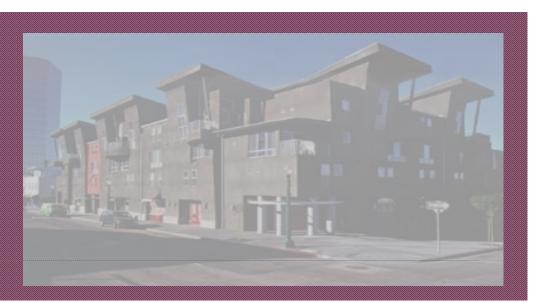
### **MHP Basics**

### Program Requirements (cont.)

- Limitation on Developer Fees Paid from Funding Sources
  - □ For example, New Construction and Substantial Rehabilitation Projects: \$15,000/unit for 1<sup>st</sup> 30 units; \$7,500 for each additional unit.
- Limitation on Distributions to Sponsor
  - □ \$513/restricted unit plus 30% of cash flow in excess of operating expenses, debt service, required reserves and per-unit distribution amount.

#### **Department of Housing and Community Development**

## 2002-2003 Round 1









Rating and Ranking Criteria &
Completion of Scoring Sheets

# Contents of Application

# MHP 2002-03 Funding Round 1

Section A: Summary Information

Section B: MHP Threshold Information

Section C: Project Feasibility

Section D: Rating Criteria

# Section D Rating and Ranking Criteria

SECTION 7320(b)(1)-(6) OF THE MHP REGULATIONS

#### **Item**

- **Item D 1.** Scoring Sheet 1A Extent Project Serves Households at the Lowest Income Levels (High Income Areas)– *Section 7320(b)(1) of the MHP Regulations*; **or**
- **Item D 2.** Scoring Sheet 1B Extent Project Serves Household at the Lowest Income Levels (Other Areas) –*Section 7320(b)(1) of the MHP Regulations*; and
- Item D 3. Scoring Sheet 2 Extent to Which the Project Addresses the Most Serious Identified Housing Needs –Section 7320(b)(2) of the MHP Regulations and Attachment to Scoring Sheet 2 Comparable Market Rental Data Form; and
- Scoring Sheets 3A and 3B Development and Ownership Experience of the Project Sponsor, Attachment to Scoring Sheet 3 Development and Ownership Experience Certification, and Appropriate Schedule(s)–Section 7320(b)(3) of the MHP Regulations; and

# Rating and Ranking Criteria

- Scoring Sheet 4 Percentage of Units for Families or Special Needs Populations and "At-Risk" Rental Housing Developments—Section 7320(b)(4) of the MHP Regulations, Attachment to Scoring Sheet 4- Checklist for "At Risk" of Conversion (if applicable), and "At Risk" of Conversion Supporting Documentation (if applicable); and
- **Item D 6.** Scoring Sheet 5 Leverage of Other Funds Section 7320(b)(5) of the MHP Regulations; and
- **Item D 7.** Scoring Sheet 6 Project Readiness –*Section 7320(b)(6) of the MHP Regulations* and Attachment to Scoring Sheet 6 Local Jurisdiction Verification of Project Readiness
- **Item D 8.** Scoring Sheet 7 Adaptive Reuse, Infill, or Proximity to Site Amenity
- Item D 9. Scoring Sheet 8 Negative Point Calculation (Departmental Use Only)-Informational Only
- **Item D 10.** Scoring Sheet 9 Total Rating and Ranking Points

### **Department of Housing and Community Development**

# 2002-2003 Round 1

January 16, 2003









**Application Overview** 

# Contents of Application

# MHP 2002-03 Funding Round 1

Section A: Summary Information

Section B: MHP Threshold Information

Section C: Project Feasibility

Section D: Rating Criteria

# Multifamily Housing Program

#### APPLICATION FOR FUNDING



State of California
Department of Housing and Community Development
Division of Community Affairs
Multifamily Housing Program (MHP)
P.O. Box 952054, MS 390-5
Sacramento, California 94252-2054

# 1800 3<sup>rd</sup> Street Suite 390 Sacramento, California 95814

Telephone: (916) 323-3178 Fax: (916) 445-0117

Web Site: <a href="http://www.hcd.ca.gov/ca/mhp/">http://www.hcd.ca.gov/ca/mhp/</a>

MHP 2002-2003 Round I (NOFA Published 1/16/03)

# Section A: General Instructions

Page 3

# Please use the following instructions and the Application Index for submitting your application

- 1. Please use an appropriately sized, 3-ring binder with a sleeve on the spine for insertion of information.
- 2. Use large lettered tabs and divide the binder into 4 sections: A, B, C, & D.
- 3. In each section set up dividers with numbered tabs to correspond to the Application Index, page 4. Place requested documents behind their corresponding tabs. Please make sure that the tabs are securely affixed to the divider pages.
- 4. For items that are not applicable to your application, place a sheet saying "Not Applicable" behind the tab corresponding to the item number.
- MHP APPLICATIONS ARE DUE, NO LATER THAN 5 P.M., TUESDAY, MARCH 18, 2003.
- Applications forms are not to be modified. Be sure and send an original application and a copy by the deadline.



Page 12

# APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY

Original Signature of Person Authorized by Governing Board Resolution (Item B 11)

#### **OR**

If the certification is signed by someone other than the person authorized in the Resolution (Item B11), attach evidence that shows the person signing has the legal authorization to sign.



Page 13

#### NO DEFAULTS STATEMENT

- Requires Original Signature of Person Authorized by Governing Board Resolution (Item B 11), or as mentioned in A3, the party signing has the legal authorization to sign.
- Attach five banking and business references and a brief description of your references for the Sponsor Relationship with them.

# Contents of Application

# MHP 2002-03 Funding Round 1

Section A: Summary Information

Section B: MHP Threshold Information

Section C: Project Feasibility

Section D: Rating Criteria

# Section B: MHP Threshold Information PROJECT DESCRIPTION FORM Page 15

### **Project Eligibility**

### Identify Project

- □ Name
- Location: including city, county, census tract, and assessor's parcel number

### Geographic Location

Identify whether project is located in Northern,
 Southern or Rural California.

# Section B: MHP Threshold Information PROJECT DESCRIPTION FORM Page 15-16

# **Project Eligibility**

### Type of Project

- Projects eligible only if:
  - □ Insufficient development funding sources
  - Construction not commenced
- New construction with demolition
  - □ Project will result in same or greater number of restricted units
  - ☐ If not, show that rehabilitation is infeasible and provide an Assessment of Rehabilitation Needs (Item B 2)
- Relocation requirements if project requires tenants to vacate, provide Relocation Plan (Item B 3)

# Section B: MHP Threshold Information PROJECT DESCRIPTION FORM Page 16-18

## **Project Eligibility**

- Limits on Project Occupancy (Supportive Housing or Special Needs)
  - Provide Tenant Selection Criteria describing rationale for limits (Item B 4)
- **■**Project Characteristics
  - □ Square footage
  - Describe project number of buildings, elevators, parking spaces
  - Amenities included in rent
  - □ Site features
  - □ Describe Non-residential Space to include commercial, childcare, or social service facilities

# Section B: MHP Threshold Information Sponsor Eligibility Information Form Page 19, 22-28

# **Project Eligibility**

- Detailed Sponsor information to include Organizational Documents (Item B 6), Governing Board resolution (Item B11)
   see 3 samples provide on pages 23-28), and names of officers and board members (Item B 12)
- Identify ultimate owner/borrower
- Identify ultimate GP or controlling entity
- Identify development team
- Identities of interest disclosure (Item B 7)

# Section B: MHP Threshold Information PROJECT DESCRIPTION FORM Page 21

# **Project Eligibility**

### Housing Development Experience

- Description of experience Owning and Developing Affordable Rental Housing (Item D 4) (insert total number of projects demonstrating both development and ownership experience on this page)
- Additional written documentation describing Organization's experience relevant to owning and developing affordable rental housing (Item B 8)

# Section B: MHP Threshold Information PROJECT DESCRIPTION FORM Page 21-22

## **Project Eligibility**

- Site Control
  - Document Evidencing Sponsor Site Control (Item B 9)
    - Fee title (Item B 10)
    - 65 year Leasehold
    - enforceable option (executed by all parties)
    - Disposition and Development Agreement with public agency or/and agreement giving an exclusive right to negotiate for the acquisition
    - land sales contract (executed by all parties)
  - □ Current Preliminary Title Report (no later than 6 months)(Item B 10)

# Section B: MHP Threshold Information PROJECT DESCRIPTION FORM Page 29

## **Project Eligibility**

- Site free from adverse environmental conditions, such as toxics, that make project infeasible
  - □ Item B 13: Phase I or II Environmental Site Assessment Report and any follow up mitigation analysis
- Site accessible to services needed by tenants
  - Item B 14: Scaled distance map with locations of needed services and Parcel Map identifying location of the Site

# Section B: MHP Threshold Information PROJECT SELCECTION Page 29

## **Article XXXIV**

- Item B 15
  - Provide letter from locality that locality has sufficient Article XXXIV authority for Project
  - □ If not sufficient authority, provide letter from project attorney explaining how project complies with Article XXXIV



Page 30

# **Project Selection**

Special Population Needs (SPN) or

Supportive Housing (SH)



Page 30

## **Project Selection**

- Item B 16: Supportive Housing or Special Needs Population Project Plan Checklist
  - □Part 1. Populations to be Served
  - □Part 2. Supportive Services
  - □Part 3. Supportive Services Budget

Page 30

- Item B16: Supportive Housing or Special Needs Population Project Plan Checklist
  - □ Part 4. Project Sponsor and Service Provider Experience
  - □ Part 5. Property Management Experience
  - □ Part 6. Collaboration(Supportive Housing Projects Only)



Page 30

- Item B 17 :
  - Part 1. Populations to be Served
  - Section 1. Eligible Households
- SPECIAL NEEDS POPULATIONS ONLY
  - Populations to be Served

Number of:

- Project Units (less manager's unit)
- Special Needs Populations Units
- Percentage of Special Needs Populations Units

Page 31

### Special Needs Population Projects Only

- Mentally Disabled Households
- Physically Disabled Households
- Persons with HIV/AIDS
- Developmentally Disabled Households
- Agricultural Workers
- Single-Parent Households
- Victims or Survivors of Domestic or Physical Abuse
- Households enrolled in Welfare to Work Programs
- Homeless Persons or Persons at Risk of Becoming Homeless

Page 31

- Special Needs Populations Only (cont...)
  - Other Chronic Health Condition, meaning an individual or household having:
    - a. A disability as defined in Section 223 of the Social Security Act (42 USC 423), or
    - b. Other physical or mental impairment
  - Displaced Dependent Parents (or Expectant Dependent Parents)
  - □ Emancipated Foster Youth
  - Individuals Exiting from Institutional Settings
  - Chronic Substance Abusers



**Page 31** 

- Item B 17 :
  - Part 1. Populations to be Served Section 1. Eligible Households
- SUPPORTIVE HOUSING PROJECTS ONLY Populations to be Served

Number of:

- Project Units (less manager's unit)
- Supportive Housing Units
- Percentage of Supportive Housing Units



Page 31

- Supportive Housing Projects Only
  - □Eligible Households must be homeless or at-risk of homelessness as defined in the NOFA, <u>and</u>
  - □Eligible Households must include a disabled adult

<u> Page 31</u>

#### Supportive Housing Projects Only

Qualifying Disabilities shall be expected to be long continued and of indefinite duration, substantially impede the ability to live independently, be of such a nature that the ability to live independently could be improved by more suitable housing conditions and include:

- Mental Illness
- HIV or AIDS
- Chronic Substance Abusers
- Other Chronic Health Condition, meaning an individual or household having:
  - a.A disability as defined in Section 223 of the Social Security Act (42 USC 423), or
  - b. Other physical or mental impairment
- Developmental Disability



Page 32

## **TENANT SELECTION CRITERIA**

Item B 17

PART 1, Section 2

Include detailed tenant selection criteria

Conclusively document occupancy will be limited to eligible households

Identify expected referral sources



Page 32

## SUPPORTIVE SERVICES

Item B 17 PART 2

- Design Supportive Services
  - to provide tenants with access to an array of services
  - to provide tenants with access to supportive services that enhance ability to live independently



Page 32

## **SUPPORTIVE SERVICES**

Item B 17 PART 2

- Design Supportive Services (cont...)
  - □ Demonstrate that the Project is Linked to Services that Assist the Tenant to:
    - Retain the Housing
    - Improve his/her Health
    - Maximize his/her Ability to Live and Work in the Community



Page 32

## **SUPPORTIVE SERVICES**

Item B 17 PART 2

- Examples illustrated in Exhibit A to Attachment 1 of the NOFA
- Supportive Services Provided must be Appropriate for Target Population Served
- Submit Plan documenting that the project will ensure the availability of services that meet the needs for Target Population Served



Page 32

### SUPPORTIVE SERVICES

Item B 17

PART 2, Section 1

# Verification from Appropriate Public or Non-Profit Funding agency

- Agency shall be knowledgeable of the supportive service needs of the Targeted Population
- Agency shall endorse the Project Sponsor as a known provider of Support Services similar to those proposed
- Use Attached Supportive Service Verification Form

#### **Item B 17**

#### Part 2 Section 1

#### Supportive Services Verification from the Appropriate Public or Non-Profit Funding Agency Form

To the project sponsor: Complete the project sponsor, service provider, project, and target population information sections below. Then submit this form along with a copy of the Supportive Housing or Special Needs Population Project Plan contained in the application, to the appropriate public or non-profit funding agency (e.g. for the chronically mentally ill – the County Department of Mental Health) knowledgeable of the supportive services needs of the targeted population(s). Submission of this form shall constitute certification by the sponsor that a true copy of the Supportive Housing or Special Needs Project Plan submitted in the application has been submitted to the funding agency named below. The form may be submitted to more than one agency or department if necessary.

PROJECT SPONSOR:
SERVICE PROVIDER:
PROJECT NAME:
PROJECT ADDRESS/SITE:
PROJECT CITY:
PROJECT COUNTY:
ΓARGET POPULATION(S):

To the public or non-profit funding agency: The project sponsor named above is submitting an application to the State Department of Housing and Community Development (HCD) requesting funding for the project named above under the Multifamily Housing Program (MHP). The application for MHP funding is subject to HCD's determination that the project qualifies as a Supportive Housing or Special Needs Population Project. The findings of your agency will be considered in the review process. Please review the attached copy of the Supportive Housing or Special Needs Population Project Plan, note your findings in the chart below, and complete the signature block below the chart. Please attach comments for any "no" and as otherwise necessary. Your cooperation is appreciated.

Yes

No

100	1.0



Page 34

# SUPPORTIVE SERVICES

Item B17

PART 2, Section 2

# **Supportive Services Plan Chart**

- Population to be Served
- Narrative Describing the Population Served Including Unique Needs of Population
- Each service to be provided will be evaluated separately



Page 34

# SUPPORTIVE SERVICES

Item B17

PART 2, Section 2

# **Supportive Services Plan Chart**

- List Supportive Service
- Narrative Describing the Service
- Name Service Provider

Attach MOU, letter of Interest or contract in Part 3, Section 3, if available

Service Accessibility



<u>Page 35</u>

# **SUPPORTIVE SERVICES**

Item B17

PART 3, Section 1

### **Service Funding History Table**

- Document the funding history of the qualifying service provider
- Document a history of securing supportive service funding
- Provider will be able to access funds from the programs that fund the services identified in the Supportive Services Plan
- List only funding obtained in last 5 Years

## Funding History for:

## (Name of Service Provider)

Source of	Use of	Amount	Award	Special Needs
Funds	Funds	of Funds	Date and	Population(s)
Include			Funding	Served
Reference			Term	
name and				
telephone				
number				



## SUPPORTIVE SERVICES BUDGET

Item B17

PART 3, SECTION 2

- Supportive Services Budget Table
- Preliminary Line Item Supportive Services Budget
- Use Table Format in Application

# SUPPORTIVE SERVICES BUDGET TABLE

Source Include the name and address of the agency organization along with a contact name and telephone number.	Value	Type of Assistance (Funds, Services, Etc.)	Status of Commitment (committed or not committed)	Percentage of Total Budget
--	-------	--	---	----------------------------------

Total Supportive Services Budget Amount \$2

**\$x,xxxx** 



Page 35

## SUPPORTIVE SERVICES BUDGET

Item B17

PART 3, Section 3

- Funding and Service Commitments
- Minimum of 25% of total supportive services budget must be committed, or
- Supported by a letter of intent

Page 35

## SUPPORTIVE SERVICES BUDGET

Item B17

PART 3, Section 4

# **Supportive Service Coordinator**

- Provide complete job description
- Description of the role of the Service coordinator and number of hours
- Reference cost amounts

Page 35

# SUPPORTIVE SERVICES BUDGET

Item B17

PART 4, Section 1

## **Project Sponsor Experience Table**

 Document 24 months experience in ownership or operation of one special needs or supportive housing project

(One of these projects may be selected for Sponsor Development and Ownership Experience in **Item D4**)

Submit table formatted and containing the information shown

# Project Sponsor Experience Table

Project	Number of	Ownership	Population(s)	Service	References
Provide	Units	1	Served	Provider	Provide at one
		or			
the name	Contained	Operation	List each	Provide	reference able
and	in the	Term	special needs	contact	to verify the
address of	Project	Provide	population	name,	role of the
the project		the	served	address,	sponsor in the
		beginning		and	project
		and end		telephone	submitted for
		dates of		number if	experience.
		ownership		the	Include the
		or		provider is	organization
		operation		other than	name and
				the sponsor	contact name,
					title, and
					telephone
					number.

# Service Provider Experience Table

Proposed Service Provider:									
Population(s) Served	Beginning and End Dates Services Provided	Name and Telephone Number of Affiliated Project Operator							

# Property Management Experience

Proposed Property Manager:										
Project Name and Address	Number of Units Contained in the Project	Contact Name and Telephone Number for the Project Owner/Operator	Special Needs Population(s) Served	Dates Property Management Began and Ended						



## Property Management Experience

Item B17

PART 5, Section 2

- Where Sponsor is contracting for Property management services shall document proposed Property Manager
  - Provide copy of the management contract
  - Provide letter of interest from proposed Property Manager



# **Collaboration**

Item B17 PART 6

#### FOR SUPPORTIVE HOUSING PROJECTS ONLY

- Projects demonstrating collaboration are eligible for a scoring advantage in leverage category Item D6
- Collaboration Criteria
  - Commitment from another organization to provide a portion of the supportive services
  - Cooperation among specialized intra-organizational programs, groups, or departments



Page 36

## Collaboration Relationship Description

Item B17

PART 6, Section 1

- FOR SUPPORTIVE HOUSING PROJECTS ONLY
  - Provide a narrative describing the collaborative relationship with
    - Outside service provider, or
    - Intra-organizational program, group, or department
  - Describe specific services involving the collaborative entity



# Collaboration Relationship Documentation

Item B17

PART 6, Section 2

#### FOR SUPPORTIVE HOUSING PROJECTS ONLY

- Provide
  - Contract, commitment, letter of intent, letter of interest, or letter of understanding
  - From the collaborative entity, program, group, or department
  - Documentation must include the project address and specify services

# Contents of Application

# MHP 2002-03 Funding Round 1

Section A: Summary Information

Section B: MHP Threshold Information

Section C: Project Feasibility

Section D: Rating Criteria

## Item C 1

#### Local Approvals and Zoning/Land Use

Local Approvals Required
Identify Project Approvals Required or Indicate "Not Applicable":

	Application	Lo	ımarca	71Ciuui
	Date	Appr	oval Date	Approval Date
CEQA Review				
CEQA Negative Declaration				
NEPA				
Phase 1 or 2 Environmental Site				
Assessment				
Soils Report				
Coastal Commission Approval				
Article XXXIV Compliance				
Site Plan				
Design Review				
Conditional Use Permit				
Variance Approval				
		ONING/LA	ND USE (descr	ribe the following):
Current Land Use Designation:				
Current Zoning and Maximum Densi	ty:			
Proposed Zoning and Maximum Den	*			
Does this site have Inclusionary Zoni		( ) YES	( ) NO	
Will a variance or CUP be required:		( ) YES	( ) NO	
Are there any occupancy restrictions	that run with title to	( ) YES	( ) NO	
the land because of Conditional Use	Permits or Density	Describe:		
Bonuses:				
Building Height Limits:				
Required Parking Ratio:				
Is the site in a Redevelopment Area?		( ) YES	( ) NO	

# Item C2 DEVELOPMENT TIMETABLE

Project Name:		
<u>Scheduled</u>		<u>Actual</u>
(Indicate Month/Year)		(Indicate Month/Year)
		SITE
/	Phase 1 or 2 Environmental Site	/
	Assessment Completed	
/	Site Acquired	/
	•	
	LOCAL PE	RMITS/APPROVAI
/	Conditional Use Permit	/
/	Variance	/
/	Site Plan Review	/
/	Grading Permit	/
/	Building Permit	/
	Density Bonus	
	,	
	CONSTRUC	TION FINANCING
ame of each lender of	rant & dates of enforceable commitm	
/	1	
/		
	2	
	3	
	4	
	5	/
	DEDMAN	HENTE EINIA NICINIC
C 1 1 1		NENT FINANCING
ame of each lender, gr	rant & dates of enforceable commitm	ients or awards
	1	/
/	2	/
	3	/
	4	/
/	5	/
		N CLOSING
/	Construction Loan Closing	/
/	Construction Start	/
/	Construction Complete	/
/	TCAC Placed In Service Application	/
/	Occupancy of All Assisted Units	/
_	MHP Permanent Loan Closing	/

#### П

#### Item C 3

# WORKSHEET TO DETERMINE MAXIMUM ALLOWABLE LOAN AMOUNT

MHP Regulation Section 7302 (a)(2)

PERMANENT FINANCING	
Total Project Cost	\$0
Less Net Syndication Proceeds/Investor Equity	\$0
Less Additional Owner/General Partner Equity	\$0
TOTAL ESTIMATED FUNDING NEEDED	\$0
Less Supportable Conventional or Bond Debt Financing	\$0
Less "Soft" Financing and Grants	\$0
FUNDING GAP =	\$0

#### Note:

Excludes any bridge loan from funding gap calculation.

## **Loan Limit Example Calculation**

**Regulation Section 7307(b)** 

#### Example I.

**Assumptions:** Alameda County

Assisted unit restricted rent breakdown

100 total assisted units

60% AMI 45 2 br. Units 40% AMI 13 2 br. Units 12 3 br. Units 30% AMI 15 1 br. Units 15 2 br. Units

#### **Example II.**

**Assumptions:** Alpine County

100 total assisted units

35% SMI 35 2 br. Units 25 3 br. Units 30% SMI 10 2 br. Units 20 3 br. Units 20% SMI 10 1 br. Units

#### Item C 4

#### LOAN LIMIT WORKS HEET - EXAMPLE - ALAMEDA COUNTY

(Section 7307 of MHP Regulations)

Use with Item C 3 of MHP Application

A	В	C	D	E	F	$\mathbf{G}$	H	I	J	K	L	$\mathbf{M}$	N	0
				Per										
	Per Unit		Total	Unit			Per Unit							
		и с				TD 4 1				D II '4		TD 4 1	D 17 14	
	Loan	# of	Allowed	Loan		Total	Loan			Per Unit		Total	Per Unit	
		Restricted		Limit	# of	Allowed	Limit	# of	Total	Loan	# of	Allowed	Loan	# of
AMI	Efficiency	Efficiency	Efficiency	for	Restricted	for	for	Restricted	Allowed	Limit for	Restricted	for	Limt for	Restricted
Level	Unit	Units	Units	1 Br.	1 Br.	1 Br.	2 Br.	2 Br.	for 2 Br.	3 Br.	3 Br.	3 Br.	4+ Br.	4+ Br.
			( <b>B</b> x <b>C</b> )			$(\mathbf{E} \mathbf{x} \mathbf{F})$			$(\mathbf{H} \times \mathbf{I})$			(K x L)		
60%			0			0	30000	15	450000			0		
55%			0			0			0			0		
50%			0			0			0			0		
45%			0			0			0			0		
40%			0			0	78304	13	1017952	85794	12	1029528		
35%			0			0			0			0		
30%			0	90356	15	1355340	102456	15	1536840			0		
SMI														
Level														
40%			0			0			0			0		
35%			0			0			0			0		
20%			0			0			0			0		
		•	•				•			•			•	

Column	D	G	J	M	P	TOTAL
Sum of Column	\$0	\$1,355,340	\$3,004,792	\$1,029,528	<b>\$0</b>	\$5,389,660

#### Item C 4

#### LOAN LIMIT WORKSHEET EXAMPLE - ALPINE

(Section 7307 Regulations)
Use with **Item C 3** of MHP Application

	Ose with them C 5 of with Application														
A	В	C	D	E	F	G	Н	I	J	K	L	M	N	O	P
AMI Level	Amount Allowed for Efficiency Unit	# of Restricted Efficiency Units	Total Allowed for Efficiency Units (B X C)	Amount Allowed for 1 Br.	# of Restricted 1 Br.	Total Allowed for 1 Br. (E X F)	Amount Allowed for 2 Br.	# of Restricted 2 Br.	Total Allowed for 2 Br. (H X I)	Amount Allowed for 3 Br.	# of Restricted 3 Br.	Total Allowed for 3 Br. (K X L)	Amount Allowed For 4+ Br.	# of Restricted 4+ Br.	Total Allowed for 4+ Br. (N X O)
60%															
55%															
50%															
45%															
40%															
35%															
30%															
SMI Level															
35%							37231	35	1303085	38314	25	957850			
30%							47084	10	470840	49700	20	994000			
20%			58618	10	586180	586180									

Column	D	G	J	M	P	Total MHP Loan
Sum of Column		\$586180	1773925	1951850		\$4311955

#### SHARED COST CALCULATION WORKSHEET

#### For Projects Containing No Commercial Space.

Pursuant to Section 7304 (c) of the MHP Regulations, the shared cost factor will be based on the ratio between the gross floor area of the Restricted Units and the gross floor area of all Residential Units.

A. Gross Square Footage of Restricted Units 48,000

B. Gross Square Footage of all Residential Units 64,000

C. Factor, Divide A by B, Express as a Whole Number Percentage 75%

D. All Eligible Costs **\$10,000,000** 

E. Multiplied by Factor C Above x 75%

F. Maximum Program Loan Amount \$7,500,000

Note: The above is a safe harbor calculation. Sponsor may substitute a more precise calculation of costs associated exclusively with Restricted Units, but mus clearly illustrate its calculation methodology on a separate page(s) placed after this attachment. The Sponsor's calculation result should be placed on line F with a footnote that an explanation of the methodology used has been attached.

OR

#### **For Projects Containing Commercial Space**

Calculate proportion of total development costs attributable to restricted units pursuant to Section 7304 (c) of the MHP Regulations. Clearly show calculation and attach to this page.

Portion of TDC attributable to Restricted Units: G. \_\_\_\_\_\_%

HCD has an excel spreadsheet available for assistance in performing these calculations. For those projects containing commercial space, we recommend the Sponsor contact their MHP Representative for assistance.

#### П

### Item C 6

#### MHP LOAN AMOUNT CALCULATION WORKSHEET

Loan Amount cannot exceed lesser of:	
1.	C 3:
2.	C 4:(Total from Loan Limit Worksheet):
3.	C 5:(Line F or G from Shared Cost Calculation Worksheet)
4.	Maximum Per Project MHP Loan: \$7,000,000
	MHP Loan Amount
	(Enter the Lesser of 1 through 4 above)

# **Project Financing**

#### Page 47

- Sources of Funds for Construction & Permanent Financing Period (Item C7)
- Funding commitments must be documented in order to receive project readiness points in **Item D 7**. Financing commitments must contain the following information to support point scoring:
  - □ The Sponsor or the ultimate owner is named as the borrower;
  - ☐ The project name, if any;
  - The project site's address, assessor's parcel number or legal description; and
  - The amount, interest rate and terms of the financing being committed
  - ☐ The commitment letter must be fully executed.
- Permanent Financing will be used to document leveraging points (Item D 6).

# Project Sources and Uses for Financing Period pages 49 to 51

#### Item C8

- Shows estimated Total Development Costs Budget for expenses paid by permanent funding sources. Separates total project costs for residential and non-residential costs by funding source.
- The line-items show cost for new construction and rehabilitation costs. The project costs should be reasonable and consistent with industry norms.

# Project Sources and Uses for Financing Period pages 49 to 51

# Mistakes to Avoid (Item C8)

- Total Project Costs summary amount does not agree with the amount of the total permanent funding sources in Item C7.
- Calculated reserve deposits not in accordance with MHP regulations.
- Math errors where cost details do not agree with the summary totals and amounts for respective lenders/sources.

# **Income Information**

page 52

# Item C9 (corrected form)

- This two-page form is required to identify all income derived from the housing development. Page 1 table shows the unit mix and income levels of the households residing in the project. The rents for restricted units may not exceed 60% AMI.
- References:
  - ☐ MHP NOFA that shows the SMI rents
  - □ TCAC rents,
  - □ Public Housing Authority Letter that verifies the utility allowances for the geographic area.



# **Income Information**

page 52

# Mistakes to Avoid (Item C 9):

- Incorrect household income designation. Rents are shown for SMI when the correct designation is AMI.
- Household income designation does not match with loan limit calculation (Item C6)
- Utility allowance is not current (Item C23).
- Rents incorrectly calculated and did not factor the utility allowances.
- Math errors where details did not agree with summary total.



#### Item C 10

- The report identifies operating expenses (OE) associated with the project and includes the major categories for general administrative, management fee, utilities, payroll/payroll taxes, maintenance, and other.
- Separate costs are shown for real estate taxes, cost of on-site supportive services coordinator, and replacement reserves. The form further separates OE for commercial space and the debt service for commercial space.

# **Annual Residential Operating Expenses**

Page 54

#### Item C 10

- Total OE (not including property taxes and the cost of the on-site services coordinator) shall not be less than those listed in TCAC regulations, Title 4 CCR, Section 10327. HCD may allow lower OE when warranted by the experience of comparable projects.
- Costs for On-Site Services Coordinator For Non-Special Needs or Supportive Housing Projects, cost must be supported with a detail services plan that identifies the work plan and types of services provided to tenants. See attachment Item C13.



# Mistakes to Avoid (Item C 10):

- OE not consistent with TCAC minimums
- OE includes ineligible costs, e.g. asset management and partnership management fees
- Specific expenses missing, e.g., HCD requires audits and no costs are shown, grounds maintenance costs not included when project design includes landscaping, etc.
- Math errors where the details do not agree with summary total.

# First Year Operating Budget and Cash flow Analysis Page 55

#### Item C11

- The report details the projected income, expenses, reserve deposits, and debt service payments for determining the available cash flow. Data used for determining the operating budget and projected cash flow is derived from previously completed formats. Refer to items Item C7 to Item C10.
- For example, the income information shown on Item C7 is included on this form and should agree with those amounts for project income.



### Item C12

■ Shows the projections for income, expenses, deposits to reserve accounts, and debt service for the housing project for a 15-year trending period. The information is a summary of the formats previously completed from Item C7 to Item C11.

# 15- Year Pro Forma

Page 56

#### **MHP Underwriting Assumptions and Criteria:**

#### Item C12

- 5% Vacancy Rate Factor, unless SNP and SHP at 10%
- 50% Vacancy Rate Commercial
- Operating Expenses (OE) per TCAC Regulations, Title 4, CCR, Section 10327
- Replacement Reserve (RR) \$425 per unit per year
- Operating Reserve 4 months: OE, RR, and Debt Service funded by end of year 6 or capitalized in TDC budget.
- No balloon payments allowed on senior debt.
- Variable interest rate loans are considered at ceiling rate.
- All mandatory DS must be supported by project cash flow.
- Debt Service Coverage Ratio (DSCR) 1.10:1 for the first year.



### Mistakes to Avoid (Item C 12):

- Project Income derive from rents and other income, etc., are incomplete and does not agree with data in Item C9.
- OE are not consistent with TCAC regs. and MHP regs.; data does not match with data in Item C10.
- DS is incorrectly calculated for Senior lender(s).
- Incorrect underwriting assumptions and criteria; not consistent with TCAC and MHP.
- DSCR does not meet 1.10:1 in year one.
- Math is incorrect and projections are incomplete; calculations do not agree with information presented on the proforma.

# Replacement Reserve Calculation

# Example

- Regulation Section 7305 (b)
- Purpose Defray cost of infrequent major repairs and replacement of building components that are too costly to be absorbed by the Project's annual budget. Cost are for capital improvements, e.g., roof, elevators, etc...

# Replacement Reserve Calculation

- Calculation Method New Construction at application, .6% of estimated construction costs associated with the structures or not less than \$425 per unit per year.
- **Example** 100 unit project where structures costs = \$7,500,000 x .006 = \$45,000 or \$425 x 100 = \$42,500. The required deposit = \$42,500.
- Loan Closing prior to funding, deposits will be modified based on a capital reserve study. If no study is completed, the deposit will be based on .6% of estimated construction costs associated with the structures.

## Replacement Reserve – Rehabilitation Projects

At application, the reserve amount shall be at least \$400 per unit per year, adjusted for inflation each year following year 2000, based on CPI changes. The annual deposit is currently \$425 per unit per year.

**Example** − 100 unit project: \$425 x 100 = \$42,500.

## Replacement Reserve – Rehabilitation Projects

- Loan Closing prior to funding, deposits shall be modified based on an independent third-party Physical Needs Assessment (PNA).
- PNA Guidelines: See HCD for guidelines.
- Licensed professional
- Resume and other work experience, e.g., preparing PNA work for lenders and investors, sample of work, etc...
- Evidence of professional liability insurance

**Note:** Selection of PNA Consultant requires advance approval by HCD.

# **Operating Reserve Calculation**

#### **Example**

New Construction Project in an urbanized area, 100 units for families, Sponsor intends to capitalize the amount in the Total Development Costs Budget:

#### Facts:

- Annual OE –\$350,000
- Annual RR –\$42,500
- Annual DS \$90,000
- Step 1: Total of above = \$482,500 divided by 12 months = \$40,208 per month
- Step 2: \$40,208 x 4 months = \$160,832 amount shown in Sources and Uses Capitalized Operating Reserve
- If paid from cash flow, must be fully funded by end of year 6.



### 15- Year Pro Forma

Page 56

### **Priority Payment of Cash Flow**

- In reviewing available cash flow, and assuming that all project expenses, funding of reserve accounts, and payment of mandatory debt service have been paid, the priority payment of remaining cash is:
  - □ Distributions/Deferred Developer Fee See Example Calculations.
  - Payment of residual receipts loan. MHP and other public agency may agree to share the remaining cash based on amounts proportional to the agencies' respective loan amounts.



# **Example Residual Receipts**

Page 56

- Example: At Permanent financing, MHP loan is \$1,300,000 and City of Escondido CDC loan is \$1,000,000; the proportional share is derived from the total contribution of \$2,300,000 where the MHP percentage is about 56% and the City is at 44%.
  - ☐ If \$20,000 remains as cash flow:
  - MHP payment = \$11,200
  - □ City payment = \$8,800

# DEVELOPER FEE PAYABLE FROM FUNDING SOURCES EXAMPLE CALCULATION

#### **Regulation Section 7313**

Assumptions: 100 unit project (new construction) 99 units are restricted; 49 units are MHP assisted; 1 manager unit\*

- □ For first 30 restricted units, \$15,000 per unit:
   30 times \$15,000 = \$450,000
  - For each restricted unit in excess of 30, \$7,500 per unit 70 times \$7,500 = \$525,000
  - Total Developer Fee payable from funding sources: \$450,000 plus \$525,000 = \$975,000
- \* For purposes of calculating the Developer Fee payable from funding sources, the manager's unit is considered a restricted unit

### **Distribution Calculation Example**

#### **Regulation Section 7313**

- Assumptions: Total Developer Fee is \$1,200,000. MHP allowable Developer Fee from project funding sources is \$975,000. Total Developer Fee paid from funding sources is \$800,000. Total Deferred Developer Fee is \$400,000. MHP allowable Fee not paid from funding Sources is \$175,000. With an inflation of 2% per year on the amount allowed for each Restricted Unit and the first year of Operation is 2002, then the per unit allowable amount is \$513. Cash Flow available for distribution after first year of operation is \$36,000
  - Allowable Distribution in any year is the greater of:
    - Allowable Developer Fee not paid from Funding Sources (\$175,000) or
    - The sum of:
      - dollar amount per unit times 99 restricted units\* PLUS
      - □ 30% of (available cash flow minus amount calculated above)
- \* Managers Unit not considered a restricted Unit for calculating Distributions

### **Distribution Calculation Example**

### Regulation Section 7313

Year		1 (2002)	2	3	4	5	6
Cash Flow Available for Distribution		\$36,000	\$40,000	\$45,000	\$60,000	\$65,000	\$70,000
MHP Allowable Fee not paid	\$175,000	\$175,000	\$139,0000	\$99,000	\$54,000	0	0
Deferred Developer Fee	\$400,000	\$400,000	\$364,000	\$324,000	\$279,000	\$223,301	\$165,339
Per unit disribution (2%)	\$480 in year 2000	\$513	\$523	\$534	\$544	\$555	\$566
Per unit amount plus 30%		\$50,787	\$51,777	\$52,866	\$55,699	\$57,962	\$60,224
Allowable Distribution		\$175,000	\$139,000	\$99,000	\$55,699	\$57,962	\$60,224
Actual Distribution		\$36,000	\$40,000	45000	\$55,599	\$57,962	\$60,224
Residual Receipts		0	0	0	\$4,301	\$7,039	\$9,776



#### Item C13

■ This documentation is required if Sponsor would like to include the costs of the Supportive Services Coordinator (SSC) as part of the operating expenses for the project. A requirement to support the SSC expenses shown in (Item C10).

# Justification for Supportive Services Coordinator – Non- Special Needs Project Page 39

- Description of population served
- Annual OE budget and 15 year Proforma
- Duty Statement for SSC to include:
  - Objective and purpose of position.
  - Description of the skills and knowledge of SSC position.
  - Description of tasks to be performed.
  - Percentage of time SSC will perform the above tasks.
  - Description of records to be kept by SSC.



### **Estimate of Unit Construction Costs**

Page 39

#### Item C14

### **Document requirements:**

- Estimate of unit construction costs based on Prevailing Wages.
- Detail draft or final scope of work listing in detail all hardware, appliances, plumbing fixtures and all special accessibility features.
- List names, phone number and qualifications of the persons who prepared the estimate and describe the method used to determine the figure.

## **Transition Reserve Calculation**

#### **Example**

- Regulation Section 7312
- Purpose: To maintain affordability of low-income projects receiving HUD Section 8 or other similar subsidies, if contract expires. The reserve shall be in an amount sufficient to prevent, for 2-years, rent increases for units that formally received rental assistance and were restricted to households with incomes not exceeding a percentage of State Median Income.

# **Transition Reserve Calculation**

- Reserve may be capitalized in the Total Development Cost Budget or funded from annual project cash flow in amounts approved by HCD. MHP funds may not be used for capitalizing purposes.
- If Subsidy is terminated: rents for units previously receiving a subsidy may be increased above the levels otherwise allowed, but only to minimum extent required for fiscal integrity, as determined by HCD.

# **Transition Reserve**

Application: 4- Projections should be submitted:

- Original rent restrictions and HUD Section 8 Subsidies.
- Without rent subsidy, and rents raised to the MHP Reg. Limit.
- Original restricted rents and subsidy with onetime transition reserve collected.
- Original rent restriction and transition reserve in years 1 and 2, with rents raised to 50% of AMI thereafter.



## Off-Site Improvement Costs

Page 39

#### Item C15

 Provide documentation supporting the budgeted costs for off-site improvements, local impact fees, permit fees and any unusual costs.



Page 39

#### Item C 16

- If you are donating the land, MHP requires an appraisal to confirm the value of the land in the development budget. Land donations will be counted as leveraged funds where the value is established with a current appraisal.
- Appraisals also provide information that confirms the existing use of property, market characteristics, site and neighborhood conditions, zoning designations, photos and other characteristics.
- Submit appraisals as available.

(MHP Regulations, Section 7309)



# Section C: Project Feasibility

Page 39

Item C 17

### Planning Approvals

 Copies of planning approvals, such as variances, conditional use permits, density bonuses, restrictions or easements that effect or restrict the property.



Page 39

- Contractor & Architect Resumes
  - Copies of Resumes or statements of qualifications for the project contractor and architect with a description of all previous participation, If available.



# Section C: Project Feasibility

Page 39

- Copies of Schematic Drawings
  - □ Site Plans
  - □ Floor Plans
  - Building Elevation



Page 40

- Description of Current Conditions For Rehabilitation Projects
  - □ Description of current condition of the structure and a general description of the overall scope of work. Include a discussion of any proposed modification to the unit configurations, unit mix, need for seismic retrofit, or modifications in use.



Page 40

#### Item C 20

NOTE: For all projects involving rehabilitation of existing structures, regardless of the extent of the planned construction work, the Department requires the completion of a Physical Needs Assessment by a qualified independent third party contractor, prior to permanent loan closing.

# Physical Needs Assessment

- The PNA should be performed as early as possible in the development process.
- The MHP Program has Physical Needs Assessment Guidelines and a "Model Contract Addendum", which provides language that should be used in whole or with only minor modifications as an attachment to, and be part of, the contract for services between the Sponsor and Contractor.
- Sponsor must submit the contract and addendum to the Department for review and approval prior to the commencement of work by the Contractor.



Page 40

- Detailed Scope of Work Rehabilitation Projects
  - □ List phone number and qualifications of person who prepared estimate
  - □ This should include line item estimates of the rehabilitation work.



# **Current Rent Roll**

Page 40

- Rehabilitation projects only
  - ☐ Tenant Income and Household Size, submit by unit, if available.



# **Utility Allowance Estimate**

Page 40

- Provided by a letter from the Housing Authority.
- Sponsor must indicate which components of the utility allowance schedule apply to the project.



# **Local Government Letter**

Page 40

### Item C 24

Copy of letter to local legislative body informing them of the MHP application submittal. Be sure the letter includes the location of the project.

### **Department of Housing and Community Development**

# 2002-2003 Round 1

January 16, 2003









Distribution & Collection of Workshop Evaluation Forms

### **Department of Housing and Community Development**

# 2002-2003 Round 1

January 16, 2003









**Questions & Answers**